

REGULAR CALENDAR

March 9, 2022

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Labor, Industrial and Rehabilitative Services to which was referred HB 1337,

AN ACT relative to the duration of unemployment benefits. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Leonard Turcotte

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee:	Labor, Industrial and Rehabilitative Services
Bill Number:	HB 1337
Title:	relative to the duration of unemployment benefits.
Date:	March 9, 2022
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2022-0732h

STATEMENT OF INTENT

This bill, as amended, would index the length of time one could collect unemployment compensation to the latest benchmarked unemployment rate. Currently, the longest an individual may collect unemployment compensation is 26 weeks. Under this bill, 26 weeks would still be permitted when the unemployment rate is greater than 8.0%. The 26 weeks would reduce to 16 weeks, in ½ point increments, whenever the unemployment rate is 3% or less. The primary result of this bill will be to encourage everyone to return to the workforce as quickly as possible, while also reducing business' unemployment insurance taxes. While NH has an unemployment compensation system that works fairly well, there are always ways to improve. States implementing this indexing concept have seen their insurance rates fall, some dramatically.

Vote 11-10.

Rep. Leonard Turcotte
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Labor, Industrial and Rehabilitative Services

HB 1337, relative to the duration of unemployment benefits. **MAJORITY: OUGHT TO PASS WITH AMENDMENT. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Leonard Turcotte for the **Majority** of Labor, Industrial and Rehabilitative Services. This bill, as amended, would index the length of time one could collect unemployment compensation to the latest benchmarked unemployment rate. Currently, the longest an individual may collect unemployment compensation is 26 weeks. Under this bill, 26 weeks would still be permitted when the unemployment rate is greater than 8.0%. The 26 weeks would reduce to 16 weeks, in ½ point increments, whenever the unemployment rate is 3% or less. The primary result of this bill will be to encourage everyone to return to the workforce as quickly as possible, while also reducing business' unemployment insurance taxes. While NH has an unemployment compensation system that works fairly well, there are always ways to improve. States implementing this indexing concept have seen their insurance rates fall, some dramatically. **Vote 11-10.**

Original: House Clerk

Cc: Committee Bill File

REGULAR CALENDAR

March 9, 2022

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Labor, Industrial and Rehabilitative Services to which was referred HB 1337,

AN ACT relative to the duration of unemployment benefits. Having considered the same, and being unable to agree with the Majority, report with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Andrew Maneval

FOR THE MINORITY OF THE COMMITTEE

Original: House Clerk

Cc: Committee Bill File

**MINORITY
COMMITTEE REPORT**

Committee:	Labor, Industrial and Rehabilitative Services
Bill Number:	HB 1337
Title:	relative to the duration of unemployment benefits.
Date:	March 9, 2022
Consent Calendar:	REGULAR
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

The system currently in place effectively discourages excessive reliance on unemployment compensation benefits, while also seeking to protect those persons and families from the devastation that can result from losing a job. Each person's circumstances are unique. Some individuals, for good and comprehensible reasons, require a longer period of benefits to regain their footing and to protect their families. The challenges such people face are not reducible to statistical or analytical theorems. Their specific exposures are related little, if at all, to state average unemployment rates. Indexing the length of available benefit time to such rates is illogical and can have a cruel effect. We recommend voting against this bill, that seeks, poorly, to fix something that isn't broken.

Rep. Andrew Maneval
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Labor, Industrial and Rehabilitative Services

HB 1337, relative to the duration of unemployment benefits. **INEXPEDIENT TO LEGISLATE.**

Rep. Andrew Maneval for the **Minority** of Labor, Industrial and Rehabilitative Services. The system currently in place effectively discourages excessive reliance on unemployment compensation benefits, while also seeking to protect those persons and families from the devastation that can result from losing a job. Each person's circumstances are unique. Some individuals, for good and comprehensible reasons, require a longer period of benefits to regain their footing and to protect their families. The challenges such people face are not reducible to statistical or analytical theorems. Their specific exposures are related little, if at all, to state average unemployment rates. Indexing the length of available benefit time to such rates is illogical and can have a cruel effect. We recommend voting against this bill, that seeks, poorly, to fix something that isn't broken.

Original: House Clerk

Cc: Committee Bill File

Amendment to HB 1337

1 Amend the bill by replacing all after the enacting clause with the following:

2

3 1 New Paragraph; Unemployment Compensation; Weekly Benefit Amount. Amend RSA 282-
4 A:25 by inserting after paragraph III the following new paragraph:

5 IV.(a) Notwithstanding RSA 4:45 and the maximum benefit amounts in paragraph I, for
6 unemployment compensation claims submitted during a calendar year, the duration of benefits
7 under this chapter shall be limited to 16 weeks, if the state's average unemployment rate is at or
8 below 3 percent, plus one additional week for each 0.5 percent increment in the state's average
9 unemployment rate above 3 percent, up to a maximum of 26 weeks if the state's average
10 unemployment rate exceeds 8 percent.

11 (b) In this paragraph, "state average unemployment rate" shall mean the average of the
12 3 months for the most recent fourth calendar year quarter of the seasonally adjusted total
13 unemployment rates as determined and benchmarked by the department of labor.

14 2 Effective Date. This act shall take effect 120 days after its passage.

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

EXECUTIVE SESSION on HB 1337

BILL TITLE: relative to the duration of unemployment benefits.

DATE: 3/9/22

LOB ROOM: 305-307

MOTION: (Please check one box)

- OTP
- ITL
- Retain (1st year)
- Adoption of Amendment # 2022 0732 (if offered)
- Interim Study (2nd year)

Moved by Rep. Turcotte Seconded by Rep. Avellani Vote: 20-1

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____ (if offered)
- Interim Study (2nd year)

Moved by Rep. Turcotte Seconded by Rep. Avellani Vote: 11-10

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____ (if offered)
- Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

MOTION: (Please check one box)

- OTP
- OTP/A
- ITL
- Retain (1st year)
- Adoption of Amendment # _____ (if offered)
- Interim Study (2nd year)

Moved by Rep. _____ Seconded by Rep. _____ Vote: _____

CONSENT CALENDAR: _____ YES _____ NO

Minority Report? Yes _____ No If yes, author, Rep: _____ Motion _____

Respectfully submitted: [Signature]
Rep Jonathan Mackie, Clerk



2022 SESSION

Labor, Industrial and Rehabilitative Services

 Bill #: 1337 Motion: OTP-A AM #: _____ Exec Session Date: 3/9/22

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Infantine, William J. Chairman	11		
Seaworth, Brian Vice Chairman	1		
Avellani, Lino M.	2		
Callum, John M.	3		
Mackie, Jonathan D. Clerk	4		
Love, David C.	5		
Warden, Mark	6		
Turcotte, Leonard P.	7		
Prout, Andrew J.	8		
Boyd, Stephen E.	9		
Hough, Gregg	10		
Sullivan, Brian M.		1	
Soucy, Timothy A.		2	
Baroody, Benjamin C.		3	
Cahill, Michael D.		4	
DiSilvestro, Linda A. Altschiller		5	
Schmidt, Janice E. Bartlett		6	
Toomey, Dan		7	
Bouchard, Donald J.		8	
Adjutant, Joshua		9	
Maneval, Andrew		10	



2022 SESSION

Labor, Industrial and Rehabilitative Services

Bill #: 1337 Motion: Adopt AM #: 2022-032 Exec Session Date: 3/9/22

<u>Members</u>	<u>YEAS</u>	<u>Nays</u>	<u>NV</u>
Infantine, William J. Chairman	20		
Seaworth, Brian Vice Chairman	1		
Avellani, Lino M.	2		
Callum, John M.	3		
Mackie, Jonathan D. Clerk	4		
Love, David C.	5		
Warden, Mark	6		
Turcotte, Leonard P.	7		
Prout, Andrew J.	8		
Boyd, Stephen E.	9		
Hough, Gregg	10		
Sullivan, Brian M.	11		
Soucy, Timothy A.	12		
Baroody, Benjamin C.	13		
Cahill, Michael D.	14		
DiSilvestro, Linda A. Altschiller	15		
Schmidt, Janice E. Bartlett	16		
Toomey, Dan	17		
Bouchard, Donald J.	18		
Adjutant, Joshua		1	
Maneval, Andrew	19		

Amendment to HB 1337

1 Amend the bill by replacing all after the enacting clause with the following:

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3 1 New Paragraph; Unemployment Compensation; Weekly Benefit Amount. Amend RSA 282-
4 A:25 by inserting after paragraph III the following new paragraph:

5 IV.(a) Notwithstanding RSA 4:45 and the maximum benefit amounts in paragraph I, for
6 unemployment compensation claims submitted during a calendar year, the duration of benefits
7 under this chapter shall be limited to 16 weeks, if the state's average unemployment rate is at or
8 below 3 percent, plus one additional week for each 0.5 percent increment in the state's average
9 unemployment rate above 3 percent, up to a maximum of 26 weeks if the state's average
10 unemployment rate exceeds 8 percent.

11 (b) In this paragraph, "state average unemployment rate" shall mean the average of the
12 3 months for the most recent fourth calendar year quarter of the seasonally adjusted total
13 unemployment rates as determined and benchmarked by the department of labor.

14 2 Effective Date. This act shall take effect 120 days after its passage.

HOUSE COMMITTEE ON LABOR, INDUSTRIAL AND REHABILITATIVE SERVICES

PUBLIC HEARING ON HB 1337

BILL TITLE: relative to the duration of unemployment benefits.

DATE: February 3, 2022

LOB ROOM: 305 - 307 **Time Public Hearing Called to Order:** 1:00 p.m.

Time Adjourned: 2:28 p.m.

Committee Members: Reps. Infantine, Seaworth, Mackie, Avellani, Callum, Love, Warden, Turcotte, Prout, S. Boyd, Hough, Sullivan, Soucy, Cahill, DiSilvestro, J. Schmidt, Toomey, Bouchard, Adjutant and Maneval

Bill Sponsors:

Rep. Turcotte
Rep. Renzullo

Rep. Doucette

Rep. Notter

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Len Turcotte introduced the bill. This bill will tie the length of unemployment benefits to the unemployment rate. The base would be 12 weeks. The length benefits could be collected would rise by one week for every ½% that the rate goes up. We have a shortage of workers. We need more employment and less prolonged unemployment benefits. There will be a couple of minor changes suggested by the labor department.

Rep. Warden: Is the intent to adjust this once per year?

Rep. Turcotte: Yes

Rep. Cahill: Couldn't there be different rates in different parts of the state or in different job groups?

Rep. Turcotte: We need one rate across the state.

Rep. Sullivan: Explain your rationale for changing the maximum number of weeks?

Rep. Turcotte: Other states

Rep. Adjutant: What is the workforce participation rate change after Sununu cut off the federal extra payments.

Rep. Turcotte: I don't know the exact numbers

Rep. Infantine: Or we equivalent to Florida in the amount we pay?

Rep. Turcotte: Someone from Employment Security could better answer that.

Deputy Commissioner Richard Lavers of Employment Security testified regarding their thoughts on this bill. Long-term unemployment is good for no one; employees or employers. We want to right-size the unemployment benefits. We take no side on this bill. The unemployment rate

that is published is determined by surveys done by the federal government. The first published rate is often adjusted the following month. In February we release what is called a benchmark rate. This is after the previous year has been examined to make sure we have an accurate rate. We are currently at 2.6. November of 2009 we maxed out at 6.7%. During 2020 at the height of the pandemic we were over 16%. At the current rate we would have 15 weeks of unemployment under this bill. There are 34 states that provide at least 26 weeks. 10 states have fixed lengths of benefits. 37 states have a variable rate of the number of weeks. There are a number of different factors that are used to vary the length. The max benefit in NH per week is \$427. That is lower than neighboring states and the federal average. Prior to the pandemic the average length of benefits was 12 weeks. Currently it is around 16 weeks. Prior to the pandemic NH had the second lowest UI tax burden in the country.

Rep. Cahill: Is it fair to say the unemployment system is working well at this point?

Deputy Commissioner Lavers: Yes.

Rep. Cahill: Are you familiar with the phrase "if it aint broke don't fix it?"

Deputy Commissioner Lavers: Yes

Rep. Avellani: Can you clarify total vs insured unemployment rate?

Deputy Commissioner Lavers: Total is based on the 12th of the month surveys. Insured is a percentage of the workforce filing for unemployment.

Rep. Avellani: Would the IUR be a better figure to see in order to more quickly pivot in the case of something like the pandemic?

Deputy Commissioner Lavers: It's a good question. Most states do use the total unemployment figure for if they have a rate variable system.

Rep. Sullivan: How would extended benefits work under this bill?

Deputy Commissioner Lavers: The federal program kicks in after the state benefits terminate.

Rep. Cahill: With our low benefits you're really not making much money on unemployment, correct?

Deputy Commissioner Lavers: Yes.

Gary Abbot from the Associated General Contractors testified against the bill. He stated that he understands the aim of the bill, but limiting the length to 12 weeks at the minimum is tough on the workers in the construction industry who cannot work through the winter which in the industry is considered to be 16 to 20 weeks.

Rep. Avellani: What limit would you think would be acceptable?

Gary Abbott: Employment Security could better answer that.

Rep. Infantine: What is a negative employer?

These are employers who lay off people a lot and pay much higher unemployment taxes.

Nick Adolphson representing the Opportunity Solutions Project testified in support of the bill. We believe in getting people back to work as soon as possible. NH is proof that you don't have to be in the sunbelt to be friendly to business. This bill is a step to further that image.

Mike Somers of NH Lodging and Restaurant Association testified in support of the bill. The only improvement he suggested is some sort of safety valve in the case of another pandemic type situation.

Roy Schweiker testified against the bill. He said all employees shouldn't be treated the same. Some people have skills that may not be needed at this time or are being discriminated against because of their age. Just because a lot of places are looking for workers doesn't mean everyone can get a job quickly.

Rep. Cahill: I am glad you brought up the age issue in employment.

Bruce Berke from NFIB testified in favor of the bill. We have seen this work in other states.

Rep. Cahill: Do we have a problem with people abusing the unemployment system.

Bruce Berke: I have heard some examples from businesses.

Rep. Cahill: Was that during the time the government was sending excessive payments?

Bruce Berke: Yes.

Dawn McKinney of NH Legal Assistance testified against the bill. She thinks it is unnecessary. It is a solution without a problem. The people who generally are on unemployment for long times are older who have difficulty finding jobs or have limited availability mostly from lack of childcare.

Respectfully submitted,

Rep. Jonathan Mackie
Clerk

House Remote Testify

Labor, Industrial and Rehabilitative Services Committee Testify List for Bill HB1337 on 2022-02-03

Support: 7 Oppose: 5 Neutral: 1 Total to Testify: 0

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<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Signed Up</u>
ploszaj, tom	Center Harbor, NH tom.ploszaj@gmail.com	An Elected Official	Myself	Support	No	No	1/21/2022 7:32 PM
Moore, Greg	Bedford, NH gregmoore01@comcast.net	A Lobbyist	Americans for Prosperity-New Hampshire	Support	No	No	1/28/2022 10:34 AM
Wuelper, Rep Kurt	Strafford, NH kurt.wuelper@leg.state.nh.us	An Elected Official	Myself	Support	No	No	1/30/2022 7:09 PM
Jones, Nate	BRENTWOOD, NH jennjones123@hotmail.com	A Member of the Public	Myself	Oppose	No	No	1/30/2022 9:33 PM
Jones, Jennifer	BRENTWOOD, NH jennjones123@hotmail.com	A Member of the Public	Myself	Oppose	No	No	1/30/2022 9:37 PM
Osborne, Leader Jason	Auburn, NH houserepoffice@leg.state.nh.us	An Elected Official	House Majority Office	Support	No	No	1/31/2022 3:54 PM
Dolpies, Michael	Northfield, NH mdolpies@gmail.com	A Member of the Public	Myself	Support	No	No	1/31/2022 6:20 PM
Gould, Rep. Linda	Bedford, NH lgouldr@myfairpoint.net	An Elected Official	Myself	Support	No	No	2/1/2022 9:30 AM
Smith, Jennifer	Pembroke, NH jaycmd7699@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/1/2022 10:59 AM
Pollack, Ari	Concord, NH pollack@gcglaw.com	A Lobbyist	NH Homebuilders	Neutral	No	No	2/2/2022 7:48 AM
Osborne, Jason	Auburn, NH houserepoffice@leg.state.nh.us	An Elected Official	Myself	Support	No	No	2/3/2022 8:16 AM
Mott-Smith, Wiltrud	Loudon, NH wmottsm@worldpath.net	A Member of the Public	Myself	Oppose	No	No	2/3/2022 11:36 AM
Robertson, Jay	Stark, NH jaywrobertson@gmail.com	A Member of the Public	Myself	Oppose	No	No	2/3/2022 7:48 PM



Indexing Unemployment Benefits to the Economic Conditions

Make your system more responsive and help get New Hampshire back to work.

Base the number of weeks someone can collect benefits on the state unemployment rate.

At full employment (5 percent), offer up to 12 weeks, increasing one week for every 0.5 percent increase to the jobless rate, up to a maximum of 20 weeks.

When jobs are plentiful, people don't need as much time to look for work. When jobs are more scarce, offer more time.

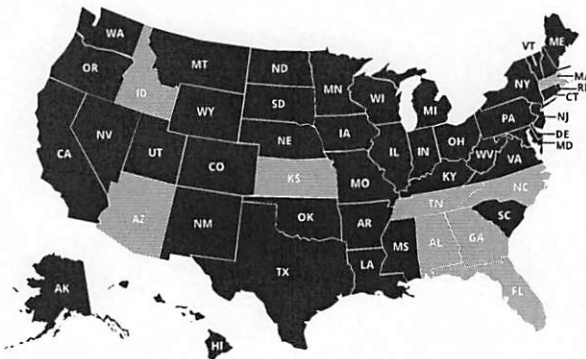
This reform is based on successful policies already implemented by Florida, Georgia, North Carolina, and Tennessee.

It helped Florida set the most competitive UI taxes in America, and rescued other states following the Great Recession.

NEW HAMPSHIRE POLL RESULTS

58% of all voters support indexing unemployment.
20% OPPOSE / 22% UNSURE

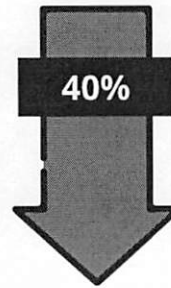
Which states use the unemployment rate to help determine benefit length?



PROJECTION:
If New Hampshire implemented FL/NC/TN-style indexing...



Stronger Trust Fund



Lower Taxes



Fewer Weeks on Unemployment



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Naples, Florida 34119

(239) 244-8808

TheFGA.org

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29. Henry Farber and Robert Valletta, "Do extended unemployment benefits lengthen unemployment spells? Evidence from recent cycles in the U.S. labor market," Federal Reserve Bank of San Francisco (2013), <https://www.frbsf.org/economic-research/files/wp2013-09.pdf>.
30. Alan B. Krueger and Andreas Mueller, "Job search and Unemployment Insurance: New evidence from time use data," *Journal of Public Economics* (2010), <https://www.sciencedirect.com/science/article/abs/pii/S0047272709001625>.
31. William Carrington et al., "Unemployment Insurance in the wake of the Great Recession," Congressional Budget Office (2012), https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/reports/UnemploymentIns_One-col.pdf.
32. Johannes F. Schmieder et al., "The effects of unemployment insurance on labor supply and search outcomes: Regression discontinuity estimates from Germany," Institute for Employment Research (2010), <https://www.econstor.eu/bitstream/10419/32764/1/622813668.pdf>.
33. Trine Filges et. al. "Unemployment benefit exhaustion: Incentive effects on job finding rates," *Campbell Systematic Reviews* (2013), <https://onlinelibrary.wiley.com/doi/10.4073/csr.2013.4>.
34. Authors' calculations based upon data provided by the U.S. Department of Labor on regular UI benefits paid in Florida in the 4th quarter of 2011 through the 4th quarter of 2018.
35. Ibid.
36. Ibid.
37. Authors' calculations based upon data provided by the U.S. Department of Labor on regular UI benefits paid, disaggregated by state.
38. Authors' calculations based upon data provided by the U.S. Department of Labor on the benefit cost rate in each state and total wages in each state.
39. Employment and Training Administration, "State Unemployment Insurance Trust Fund solvency report: 2019," U.S. Department of Labor (2019), <https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2019.pdf>.
40. Employment and Training Administration, "Unemployment insurance data summary: 1st quarter 2018 through 4th quarter 2018," U.S. Department of Labor (2019), https://oui.doleta.gov/unemploy/data_summary/DataSum.asp.
41. Authors' calculations based upon data provided by the U.S. Department of Labor on the benefit cost rate in each state and total wages in each state.
42. Ibid.
43. Authors' calculations based upon data provided by the U.S. Department of Labor on regular UI benefits paid in Florida in the 4th quarter of 2011 through the 4th quarter of 2018.
44. Ibid.
45. Authors' calculations based upon data provided by the U.S. Department of Labor on the average tax rate as a share of total wages in each state.
46. Ibid.
47. Ibid.
48. Economic Affairs Committee, "Final bill analysis: Committee Substitute for House Bill 7005," Florida House of Representatives (2011), <https://www.flsenate.gov/Session/Bill/2011/7005/Analyses/h7005z.EAC.PDF>.
49. Ibid.
50. Authors' calculations based upon data provided by the U.S. Department of Labor on UI trust fund and unpaid loan balances in Florida in the 4th quarter of 2011 through the 4th quarter of 2018.
51. Ibid.
52. Authors' calculations based on data provided by U.S. Department of Labor on the trust fund solvency in each state and trust fund balances in each state.
53. Ibid.
54. Ibid.
55. Bureau of Labor Statistics, "The employment situation: January 2020," U.S. Department of Labor (2020), https://www.bls.gov/news.release/archives/empsit_02072020.htm.
56. Council of Economic Advisors, "U.S. unemployment rate falls to 50-year low," Executive Office of the President (2019), <https://www.whitehouse.gov/articles/u-s-unemployment-rate-falls-50-year-low>.
57. Bureau of Labor Statistics, "State employment and unemployment: January 2020," U.S. Department of Labor (2020), https://www.bls.gov/news.release/archives/laus_01242020.htm.
58. Bureau of Labor Statistics, "The employment situation: January 2020," U.S. Department of Labor (2020), https://www.bls.gov/news.release/archives/empsit_02072020.htm.
59. Bureau of Labor Statistics, "Job openings and labor turnover: December 2019," U.S. Department of Labor (2019), https://www.bls.gov/news.release/archives/jolts_02112020.pdf.
60. Sam Adolphsen, "There has never been a better time for welfare reform," Foundation for Government Accountability (2018), <https://thefga.org/research/there-has-never-been-a-better-time-for-welfare-reform/>.
61. Victoria Eardley and Jonathan Ingram, "Opening opportunity: Tying unemployment benefits to economic conditions," Foundation for Government Accountability (2019), <https://thefga.org/research/indexing-unemployment-benefits-economic-conditions>.

REFERENCES

1. Economic Affairs Committee, "Final bill analysis: Committee Substitute for House Bill 7005," Florida House of Representatives (2011), <https://www.flsenate.gov/Session/Bill/2011/7005/Analyses/h7005z.EAC.PDF>.
2. Authors' calculations based upon data provided by the Florida House of Representatives on the actual average state UI tax per employee at the minimum rate in fiscal year in 2011 and the projected average state UI tax per employee at the minimum rate in fiscal year 2012 absent any policy changes.
3. In 2011, individuals could receive up to 26 weeks from the regular state program, 20 weeks from the extended benefits program, 20 weeks from Tier 1 of the Emergency Unemployment Compensation (EUC) program, 14 weeks from Tier 2 of the EUC program, 13 weeks from Tier 3 of the EUC program, and 6 weeks from Tier 4 of the EUC program.
4. Julie M. Whittaker and Katelin P. Isaacs, "Extending unemployment compensation benefits during recessions," Congressional Research Service (2013), <https://fas.org/sgp/crs/misc/RL34340.pdf>.
5. Employment and Training Administration, "Trigger notice 2011-50: State extended benefit indicators under P.L. 111-312, effective December 25, 2011," U.S. Department of Labor (2011), https://oui.doleta.gov/unemploy/trigger/2011/trig_122511.html.
6. Employment and Training Administration, "EUC 2008 trigger notice 2011-50: Third and fourth tier EUC 2008 triggers under P.L. 111-312, effective December 25, 2011," U.S. Department of Labor (2011), https://oui.doleta.gov/unemploy/euc_trigger/2011/euc_122511.html.
7. Marcus Hagedorn et al., "The impact of unemployment benefit extensions on employment: The 2014 employment miracle?" National Bureau of Economic Research (2016), <https://www.nber.org/papers/w20884>.
8. Victoria Eardley and Jonathan Ingram, "Opening opportunity: Tying unemployment benefits to economic conditions," Foundation for Government Accountability (2019), <https://thefga.org/research/indexing-unemployment-benefits-economic-conditions>.
9. Laws of Florida ch. 2011-235 (2011), <http://laws.flrules.org/2011/235>.
10. Florida Statutes § 443.111(5)(c) (2019), http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0400-0499/0443/Sections/0443.111.html.
11. Ibid.
12. Ibid.
13. Authors' calculations based upon data provided by the U.S. Department of Labor on the average duration of UI enrollees in Florida in 2011 through 2018.
14. Employment and Training Administration, "Unemployment insurance data summary: 4th quarter 2011 through 4th quarter 2018," U.S. Department of Labor (2019), https://oui.doleta.gov/unemploy/data_summary/DataSum.asp.
15. Ibid.
16. Ibid.
17. Authors' calculations based upon data provided by the U.S. Department of Labor on the average duration of UI enrollees, disaggregated by state.
18. States are classified as non-reform states if the maximum duration for regular unemployment benefits is 26 weeks or longer.
19. Ibid.
20. Ibid.
21. Katelin P. Isaacs, "Unemployment Insurance: Consequences of changes in state unemployment compensation laws," Congressional Research Service (2019), <https://fas.org/sgp/crs/misc/R41859.pdf>.
22. The longer able-bodied adults spend on food stamps, the longer it takes them to regain the labor force. See, e.g., Jonathan Ingram and Nicholas Horton, "The power of work: How Kansas' welfare reform is lifting Americans out of poverty," Foundation for Government Accountability (2016), <https://thefga.org/research/report-the-power-of-work-how-kansas-welfare-reform-is-lifting-americans-out-of-poverty>.
23. Job applicants are less likely to receive an interview callback the longer they have been unemployed. See, e.g., Kory Kroff et al., "Duration dependence and labor market conditions: Evidence from a field experiment," Quarterly Journal of Economics (2013), <https://academic.oup.com/qje/article-abstract/128/3/1123/1852133>.
24. Individuals experience human capital depreciation when out of the workforce. See, e.g., Julie L. Hotchkiss and M. Melinda Pitts, "Evidence of demand factors in the determination of the labor market intermittency penalty," Federal Reserve Bank of Atlanta (2007), <https://www.frbatlanta.org/-/media/documents/research/publications/wp/2007/wp0716.pdf>.
25. Longer periods of not working are associated with declining job skills relative to other workers. See, e.g., Per-Anders Edin and Magnus Gustavsson, "Time out of work and skill depreciation," Industrial and Labor Relations Review (2008), <http://journals.sagepub.com/doi/abs/10.1177/001979390806100202>.
26. Long-term joblessness is associated with higher rate of disability benefits receipt. See, e.g., Kenneth A. Couch et al., "Economic and health implications of long-term unemployment: Earnings, disability benefits, and mortality," Research in Labor Economics (2013), <http://www.emeraldinsight.com/doi/abs/10.1108/S0147-9121%282013%290000038008>.
27. Unemployment is associated with higher disability applications and determinations. See, e.g., Kalman Rupp and David Stapleton, "Determinants of the growth in the Social Security Administration's disability programs: An overview," Social Security Administration (1995), <https://www.ssa.gov/policy/docs/ssb/v58n4/v58n4p43.pdf>.
28. Maria Canon and Yang Liu, "The effects of extending unemployment insurance benefits," Federal Reserve Bank of St. Louis (2014), https://files.stlouisfed.org/files/htdocs/publications/es/14/ES_16_2014-07-03.pdf.

Other states can and should replicate Florida's success

Today, states have the opportunity to learn from Florida's success and replicate it. There has perhaps never been a better time to do just that.

The national unemployment rate stands at 3.6 percent—among the lowest it has been in 50 years.⁵⁵⁻⁵⁶ In some states, the unemployment rate is as low as 2.3 percent.⁵⁷ Employers have 7.1 million open jobs sitting unfilled, while just 6.4 million Americans are looking for work.⁵⁸⁻⁵⁹ Yet in most states, the unemployment system is not responsive to a growing economy.

In most states, the current unemployment system incentivizes individuals to sit on the sidelines or continue unproductive job searches even though there has never been a better time to find work.⁶⁰ Policymakers need to take advantage of the booming economy and move more of the unemployed back into the workforce. Florida's track record of success shows states how to do just that.

Unemployed workers are cycling off the program more quickly, reducing costs to taxpayers. Lower costs have translated into lower taxes on employers, who can reinvest those savings into offering higher wages or better benefits, expanding their businesses, and further contributing to the state's economic growth. Florida's reforms have also helped ready the unemployment system for future recessions, ensuring the state trust fund remains solvent for future generations.

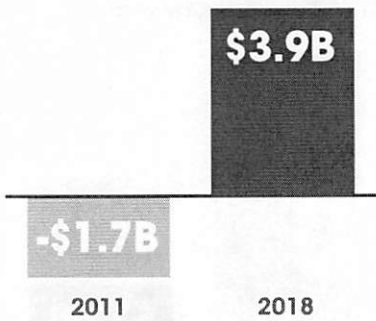
Adopting similar reforms in all states would increase employment by up to 1.5 million new workers, pull more Americans into the labor force, and lead to a modest decline in the unemployment rate.⁶¹ It would help more people cycle out of unemployment and back to work more quickly, reduce taxes on employers, and better prepare states for future recessions.

Florida policymakers put their state unemployment program back on the right track. Other states should take advantage of the current booming economy to move enrollees to independence, lower taxes, and help further grow this booming economy by tying unemployment benefits duration to economic conditions.

“
Adopting similar reforms in all states would increase employment by up to 1.5 million new workers, pull more Americans into the labor force, and lead to a modest decline in the unemployment rate.
”

FLORIDA'S UNEMPLOYMENT TRUST FUND GREW BY \$5.6 BILLION AFTER REFORM

Florida unemployment trust fund balance, by year



Source: U.S. Department of Labor

4. FLORIDA'S UI TRUST FUND GREW BY \$5.6 BILLION

Florida's reform has also helped ready the unemployment system for future recessions, ensuring the trust fund remains solvent for future generations.

Pre-reform, in August 2009, Florida's unemployment trust fund went insolvent.⁴⁸ As a result, the state was forced to borrow more than \$2 billion from the federal government to keep the program afloat.⁴⁹

At the end of 2011, Florida's trust fund was still more than \$1.7 billion in the red.⁵⁰

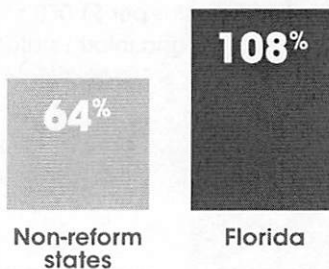
But after Florida reformed its UI system, it was able to quickly repay the loans it had taken out and build up its trust fund to healthy levels. By 2018, the state's trust fund balance had reached nearly \$3.9 billion—a net swing of \$5.6 billion.⁵¹

By tying Florida's unemployment benefits to economic conditions, the state is now better prepared to weather future recessions.

Once again, Florida's unemployment system is also now in better shape than other states. In 2018, Florida's unemployment trust fund had a solvency level of 108 percent, more than the minimum level considered adequate going into a recession.⁵² Trust funds in non-reform states, on the other hand, have solvency levels of less than 64 percent on average.⁵³ Altogether, Florida's unemployment trust fund is nearly 70 percent more solvent than non-reform states.⁵⁴

FLORIDA'S UNEMPLOYMENT TRUST FUND IS NEARLY 70 PERCENT MORE SOLVENT THAN NON-REFORM STATES

Unemployment trust fund solvency level, by state and reform status



Source: U.S. Department of Labor

EMPLOYER UNEMPLOYMENT TAXES DROPPED 79 PERCENT AFTER REFORM

Effective employer unemployment insurance tax rates in Florida per \$1,000 of wages, by year



Source: U.S. Department of Labor

3. EMPLOYERS' UNEMPLOYMENT INSURANCE TAXES HAVE PLUMMETED BY 79 PERCENT

Thanks to the reduction in time Floridians spend in the program and lower program costs overall, Florida employers are now reaping the rewards through lower taxes, which can instead be reinvested in their businesses and employees.

In 2011, Florida employers paid an average of \$7.10 in unemployment insurance taxes for every \$1,000 in employees' wages.⁴³ But as costs declined, employers' tax rates plummeted, allowing businesses to keep those savings and, ultimately, reinvest them back into the state's economy.

By 2018, Florida employers were paying just \$1.50 in unemployment taxes for every \$1,000 in wages.⁴⁴ Ultimately, this means billions of dollars in savings each and every year as a result of reform.

Employers can now reinvest these savings into higher wages or better benefits, expanding their businesses, and further contributing to the state's economic growth.

While the booming economy has helped lower employers' unemployment taxes across the country, these tax rates have dropped more than twice as quickly in Florida than in non-reform states.⁴⁵ In 2018, employers in non-reform states paid an average of \$5.50 for every \$1,000 of wages in state UI taxes.⁴⁶ Altogether, Florida employers are paying the lowest UI tax rates in the nation, with state UI tax rates nearly 73 percent lower than rates in non-reform states.⁴⁷

EMPLOYER UNEMPLOYMENT TAXES ARE NEARLY 73 PERCENT LOWER IN FLORIDA THAN NON-REFORM STATES

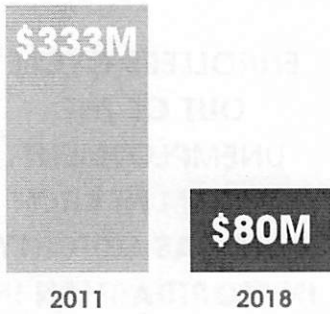
Effective employer unemployment insurance tax rates per \$1,000 of wages, by state and reform status



Source: U.S. Department of Labor

UNEMPLOYMENT PROGRAM COSTS DROPPED 76 PERCENT AFTER REFORM

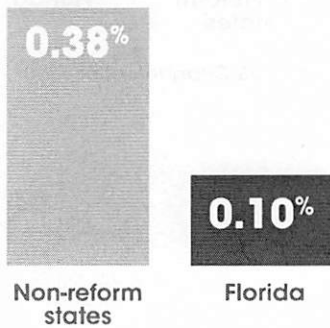
Fourth quarter unemployment program costs in Florida, by year



Source: U.S. Department of Labor

UNEMPLOYMENT PROGRAM COSTS ARE 74 PERCENT LOWER IN FLORIDA THAN IN NON-REFORM STATES

Average benefit cost rate in 2018, by state and reform status



Source: U.S. Department of Labor

2. UNEMPLOYMENT COSTS DROPPED NEARLY 76 PERCENT

Moving people out of the unemployment system and back to work has not only helped individuals, but has also helped significantly reduce program costs. In 2011, Florida's unemployment program was paying out more than \$333 million in benefits per quarter, the equivalent of more than \$1.3 billion annually.³⁴ But as individuals began cycling out of the program more quickly, these costs plummeted.

By 2018, unemployment costs had declined to \$80 million per quarter, the equivalent of roughly \$320 million per year.³⁵ Altogether, Florida's UI costs dropped by a whopping 76 percent after reform.³⁶

While unemployment costs have been declining nationwide, Florida's costs have dropped more than twice as quickly as costs in non-reform states.³⁷

Florida also has a significantly lower benefit cost rate—the cost of UI benefits as a proportion of total wages—than non-reform states. In 2018, for example, non-reform states had a benefit cost rate of more than 0.38 percent.³⁸⁻⁴⁰ Florida, on the other hand, had a benefit cost rate of 0.1 percent, meaning costs were nearly 74 percent lower than in non-reform states.⁴¹ Only North Carolina—which passed legislation to mirror Florida's reforms in 2013—had a lower benefit cost rate in 2018.⁴²

Even better, Florida unemployment enrollees are spending far less time in the program than their counterparts in other states: in states that have not reformed their unemployment systems, average duration has declined by just 1.6 weeks over the same time period.¹⁷⁻¹⁸

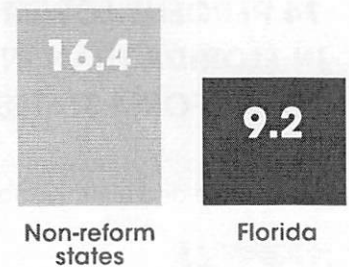
Altogether, enrollees are cycling out of the unemployment system nearly twice as quickly in Florida than in non-reform states.¹⁹ In fact, only North Carolina and Georgia moved enrollees out of the system more quickly than Florida in 2018, and both states reformed their unemployment systems to mirror Florida's reforms in 2012 and 2013.²⁰⁻²¹

Moving individuals back to work as quickly as possible should be the goal of unemployment insurance (UI) programs across the board. The longer an individual is unemployed, the more likely they are to fall into long-term dependency and the harder it is to find work.²²⁻²⁷

Receiving benefits for longer periods can also reduce unemployed workers' job search efforts, decreasing their likelihood of becoming reemployed.²⁸⁻³³ By indexing its unemployment benefits to economic conditions, Florida created a structure that allows people to get back into the workforce much more quickly, setting them up for success.

ENROLLEES CYCLE OUT OF THE UNEMPLOYMENT SYSTEM NEARLY TWICE AS QUICKLY IN FLORIDA THAN IN NON-REFORM STATES

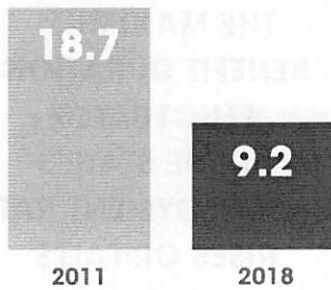
Average unemployment duration, in weeks, in Florida and non-reform states, excluding federal extended benefit programs, by state and reform status



Source: U.S. Department of Labor

ENROLLEES CYCLED OUT OF THE UNEMPLOYMENT SYSTEM TWICE AS QUICKLY AFTER REFORM

Average unemployment duration, in weeks, in Florida, excluding federal extended benefit programs, by year



Source: U.S. Department of Labor

The results: Shorter enrollment, lower costs, and lower taxes

The results of Florida's reform have been tremendous. Unemployed workers are cycling off the program more quickly, reducing costs to taxpayers. Lower costs have translated into lower taxes on employers, who can reinvest those savings into offering higher wages or better benefits, expanding their businesses, and further contributing to the state's economic growth. The reform has also helped ready the unemployment system for future recessions, ensuring the trust fund remains solvent for future generations.

1. ENROLLEES CYCLE OFF THE PROGRAM TWICE AS QUICKLY

Almost immediately after reforming the program, Floridians started cycling out of the unemployment system more quickly.

In 2011, unemployed Florida workers spent an average of 18.7 weeks on the program, not including extended benefits through federal programs.¹³⁻¹⁴ When the state began indexing the program to economic conditions in 2012, enrollees began cycling out of the system much more quickly. By 2018, unemployed workers were spending just 9.2 weeks on the program on average—cycling out of the program twice as quickly prior to reform.¹⁵

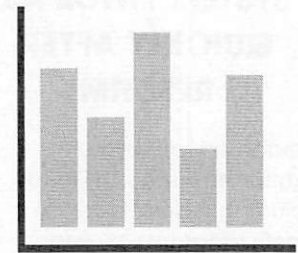
As of 2018, the average Florida unemployment enrollee is moving out of the system a whopping 9.5 weeks sooner than just before the reform went into effect.¹⁶

The reform: Benefits are tied to economic conditions

In 2011, Florida's unemployment system was in crisis. The state's unemployment trust fund was bankrupt and the state had borrowed more than \$2 billion in loans from the federal government just to keep the program afloat.¹ The taxes levied on employers to fund the program were set to nearly triple.² Although the state's regular unemployment benefits were capped at 26 weeks, federal programs had extended how long someone could receive unemployment benefits to a whopping 99 weeks.³⁻⁶ These benefit extensions were keeping potential workers out of the labor force, driving up the unemployment rate, and driving down job creation.⁷⁻⁸

But that June, Florida began charting a new course. Then-Gov. Rick Scott signed an innovative new plan sent to him by the Florida Legislature that tied the state's regular unemployment benefits to economic conditions, beginning in 2012.⁹

Under the new system, the maximum benefit duration fluctuates as the state's unemployment rate rises or falls.¹⁰ Individuals are eligible for up to 12 weeks of benefits if the state's average unemployment rate is at or below 5 percent.¹¹ An additional week is added for each 0.5 percentage points that the unemployment rate rises above 5 percent, up to a maximum of 23 weeks if the unemployment rate reaches or exceeds 10.5 percent.¹²



**THE MAXIMUM
BENEFIT DURATION
FLUCTUATES
AS THE STATE'S
UNEMPLOYMENT RATE
RISES OR FALLS**

KEY FINDINGS

1

IN 2011, FLORIDA TIED THE LENGTH OF UNEMPLOYMENT BENEFITS TO ECONOMIC CONDITIONS.



2

AFTER REFORM, ENROLLEES CYCLED OFF THE PROGRAM TWICE AS QUICKLY.



3

UNEMPLOYMENT COSTS DROPPED NEARLY 76 PERCENT.



4

EMPLOYERS' UNEMPLOYMENT TAXES HAVE DROPPED BY 79 PERCENT.



5

FLORIDA'S UNEMPLOYMENT TRUST FUND HAS GROWN BY \$5.6 BILLION.



BOTTOM LINE:

FLORIDA HAS HELPED ENROLLEES CYCLE OFF THE PROGRAM MORE QUICKLY, REDUCED TAXPAYER COSTS, AND PREPARED THE STATE FOR FUTURE RECESSIONS.



Unemployment insurance reform has strengthened Florida's economy

FEBRUARY 27, 2020

Jonathan Ingram
Vice President of Policy and Research

Victoria Eardley
Research Fellow

FGA

We also have low weekly benefit amounts in New Hampshire. In fact, our maximum benefit amount (\$427 per week) has been the same since 2007. This replaces 31% of average wages, which means Granite Staters can't afford to live on unemployment and are motivated to return to work to pay their bills. Finally, we have work search requirements. This means that in order to continue to receive unemployment benefits, Granite Staters must demonstrate that they are looking for work and that they have not refused suitable employment. In other words, unemployment recipients cannot automatically receive benefits for the full 26 weeks. If someone fails to adequately search for work or turns down suitable employment, their benefits will be terminated before they reach 26 weeks of benefits.

The goal of our unemployment insurance program should be to provide enough weeks for an unemployed worker to find a new job. HB 1337 would mean that the average worker would potentially have no income for over one month before they are able to find a new job given that the average worker receives benefits for 17 weeks. HB 1337 would also punish working parents and older workers who often need more time to find new employment through no fault of their own. We have not seen any evidence that limiting the maximum weeks of unemployment eligibility helps people find new employment more quickly. In fact, New Hampshire has a better unemployment rate than all but two states who limit their maximum weeks of eligibility to less than 26 weeks.

NHLA encourages the Committee to recommend Inexpedient to Legislate on HB 1337.

Sincerely,

A handwritten signature in black ink, appearing to read 'DMK' followed by a large, stylized flourish.

Dawn McKinney

Policy Director



NEW HAMPSHIRE LEGAL ASSISTANCE

Working for Equal Justice Since 1971

February 9, 2022

www.nhla.org

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1-833-722-0271

TTY:
1-800-735-2964

Representative Will Infantine, Chairman
Labor, Industrial and Rehabilitative Services Committee
New Hampshire House of Representatives
107 North Main Street
Concord, NH 03301

Via Email

RE: HB 1337

Dear Chairman Infantine and Honorable Members of the Committee:

I am writing to oppose HB 1337, relative to the duration of unemployment benefits.

New Hampshire Legal Assistance (NHLA) is a statewide nonprofit law firm that has provided free civil legal aid to Granite Staters with low income for over 50 years. We represent clients in cases impacting their basic human needs. One area of practice that we've seen a significant increase in demand for our assistance is unemployment.

If passed, this bill would index the maximum weeks of unemployment insurance to the unemployment rate. More specifically, when unemployment is 5% or below, the potential weeks of eligibility will be limited to 12. This is a significant reduction from current law which provides up to 26 weeks of eligibility if the recipient of unemployment benefits meets all eligibility criteria. The vast majority of states currently provide up to 26 weeks of eligibility¹.

This bill is a solution in search of a problem. In New Hampshire, we have low unemployment—currently 2.6%. In addition, unemployment recipients receive benefits for an average of 17 weeks, which is considered a low duration of benefits. Only 13% of Granite Staters who access unemployment benefits actually exhaust their benefits and receive the full 26 weeks. There are two classes of workers who are usually unemployed for longer periods of time: those who have work schedule limitations, such as childcare obligations, and older workers.²

¹ <https://www.cbpp.org/research/economy/how-many-weeks-of-unemployment-compensation-are-available>

² <https://www.bls.gov/web/empsit/cpseea36.htm>

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38 Glen Avenue
Berlin, NH 03570
603-752-1102

Claremont
24 Opera House Square
Suite 206
Claremont, NH 03743
603-542-8795

Concord
117 North State Street
Concord, NH 03301
603-223-9750

Manchester
1850 Elm Street
Suite 7
Manchester, NH 03104
603-668-2900

Portsmouth
154 High Street
Portsmouth, NH 03801
603-431-7411

Administration
117 North State Street
Concord, NH 03301
603-224-4107

PAUL PETER NICOLAI

18 SUMMIT DRIVE • POST OFFICE BOX 3007
GRANTHAM, NEW HAMPSHIRE 03753
413-783-0459

January 31, 2022

House Labor, Industrial and Rehabilitative Services Committee
NH State House
107 N Main St
Concord, NH 03303

RE: HB 1337

Ladies & Gentlemen:

I am writing to express support of HB 1337.

The pandemic has taught several lessons. One of them is that the more extended and more generous government benefits R, the less incentive there is for labor force participation rates, the higher the incentive for lower labor force participation rates. Labor market economists around the world have echoed this repeatedly.

While the pandemic was raging, the federal government stepped in and significantly increased unemployment insurance benefits, amongst other things.

With the New Hampshire unemployment rate now at 2.6%, there is no reason to maintain benefits for 26 weeks. Proof lies in the New Hampshire labor force participation rate, which has dropped from 69.7% in the middle of 2019 to a current 65.1%. This 4.6% decline says approximately 35,000 New Hampshire residents have taken themselves out of the labor market. This should not be encouraged.

Thank you for your attention.

Sincerely yours,



Paul Peter Nicolai, Esq.

HB 1337 - AS INTRODUCED

2022 SESSION

22-2295
04/08

HOUSE BILL **1337**

AN ACT relative to the duration of unemployment benefits.

SPONSORS: Rep. Turcotte, Straf. 4; Rep. Doucette, Rock. 8; Rep. Notter, Hills. 21; Rep. Renzullo, Hills. 37

COMMITTEE: Labor, Industrial and Rehabilitative Services

ANALYSIS

This bill specifies the duration of unemployment benefits based on the state's average unemployment rate.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to the duration of unemployment benefits.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Paragraph; Unemployment Compensation; Weekly Benefit Amount. Amend RSA 282-
2 A:25 by inserting after paragraph III the following new paragraph:

3 IV.(a) For unemployment compensation claims submitted during a calendar year, and
4 notwithstanding the maximum benefit amounts in paragraph I, the duration of benefits under this
5 chapter shall be limited to 12 weeks, if the state's average unemployment rate is at or below 5.0
6 percent, plus one additional week for each 0.5 percent increment in the state's average
7 unemployment rate above 5.0 percent, up to a maximum of 20 weeks if the state's average
8 unemployment rate exceeds 9 percent.

9 (b) In this paragraph, "state average unemployment rate" shall mean the average of the
10 3 months for the most recent third calendar year quarter of the seasonally adjusted unemployment
11 rates as determined by the department of labor.

12 2 Effective Date. This act shall take effect 60 days after its passage.